

**ANNUAL REPORT
OF THE JOINT STUDY COMMITTEE ON
MASS TRANSIT AND TRANSPORTATION
ALTERNATIVES**



**Indiana Legislative Services Agency
200 W. Washington St., Suite 301
Indianapolis, Indiana 46204-2789**

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JOINT STUDY COMMITTEE ON MASS TRANSIT AND TRANSPORTATION ALTERNATIVES

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I. STATUTORY DIRECTIVE

The Indiana General Assembly enacted legislation directing the Committee to do the following:

- (1) Review Indiana department of transportation studies regarding mass transit that have been conducted by the department.
- (2) Review federal legislative activity regarding development and expansion of mass transit as well as revenue streams on the federal level.
- (3) Review mass transit initiatives of other states.

II. INTRODUCTION AND REASONS FOR STUDY

The Joint Study Committee on Mass Transit and Transportation Alternatives (Committee) was created by IC 2-5-28 (SEA 105-2007). IC 2-5-28-6 directs the Committee to report and make recommendations concerning the following issues:

- (1) The need to use mass transit to mitigate traffic congestion.
- (2) Ways to address the demand for workforce transportation that are reliable and secure.
- (3) Ways to eliminate barriers to investment in mass transit created by the current structure of transportation funding.
- (4) Existing barriers to private investment in mass transit facilities, including tax inequities.
- (5) Effective ways of leveraging funding under federal programs to supplement state funding of mass transit.
- (6) The relationship between land use and investment in mass transit infrastructure.
- (7) The role that mass transit plays in promoting economic growth, improving the environment, and sustaining the quality of life.

III. SUMMARY OF WORK PROGRAM

The Committee met four times during 2007 as follows:

- (1) August 30, 2007, at the State House in Indianapolis, Indiana. Presentations were made regarding state and federal transportation and mass transit funding and Indiana Department of Transportation mass transit studies.

- (2) September 10, 2007, at the State House in Indianapolis, Indiana. Presentations were made regarding local transportation authorities and the application of the smart growth model to transportation.
- (3) October 10, 2007, at the State House in Indianapolis, Indiana. Presentations were made regarding the effect of transit on economic development.
- (4) November 13, 2007, at the State House in Indianapolis, Indiana. Presentations were made regarding the Indiana Department of Transportation and the South Shore Rail Line.

IV. SUMMARY OF TESTIMONY

A. Indiana Department of Transportation

Karl Browning, Commissioner of the Indiana Department of Transportation (INDOT), testified about INDOT's role in mass transit planning. INDOT's annual budget is approximately \$2 billion, of which \$161 million is designated purposes other than highway construction and maintenance, including mass transit. Commissioner Browning stated that IC 8-23-9-55¹ requires INDOT to spend its funding on highways rather than mass transit. He stated that shifting three to five percent of automobile drivers to mass transit would be considered a success but would not decrease the funding needed for highway maintenance because Indiana will need to increase its highway capacity for the foreseeable future. He told the Committee that INDOT has a cooperative relationship with Indiana's fourteen metropolitan planning organizations (MPOs) and participates in monthly meetings with the MPOs.

Chris Kiefer, INDOT legislative liaison, reviewed state and federal revenue sources for transportation funding as well as all INDOT programs that receive federal funding. Mr. Kiefer explained the procedure by which Congress may rescind federal funds and stated that INDOT has not allowed federal funds (other than approximately \$200,000 in disaster relief) to lapse. State funding for fiscal year 2008 is projected to be around \$42 million with no funding allocated for or commuter rail. Mr. Kiefer referred the committee to the following URLs for INDOT's transportation long range plan and the Statewide Transportation Improvement Plan:

<http://www.in.gov/dot/div/planning/lrp/2007plan.htm> and
<http://www.in.gov/dot/pubs/transportimprove/pdfs/Narrative.pdf>.

¹IC 8-23-9-55 provides:

Money in the state highway fund shall be used for the following:

- (1) Operation of the department.
- (2) Construction, reconstruction, operation, maintenance, and control of the state highways that are the responsibility of the department and of tollways that are the responsibility of the department under IC 8-15-3.

B. Local Transit Authorities

United States Congressman Peter Visclosky talked to the Committee about the proposed expansion of the South Shore Rail Line to Valparaiso and Lowell. The project is estimated to cost \$1 billion, with \$500 million coming from federal New Starts funding and \$500 million from a non-federal match. The expansion project is using existing rights of way, which has helped reduce its cost.

Christine Altman, president of the Central Indiana Regional Transportation Authority (CIRTA), testified that Indiana has focused solely on developing its highways since World War II. She stated that local governments need tools, such as taxing authority, to implement regional transit plans. CIRTA and neighboring transit authorities are studying a fixed transit route from northeastern to downtown Indianapolis.

John Swanson, executive director of the Northwestern Indiana Regional Planning Commission (NIRPC), discussed NIRPC's membership, revenue sources and budget, and transportation plans and programs. He informed the Committee of an ongoing study concerning ferry travel from Marquette Park to Navy Pier in Chicago.

Mike Dearing, executive director of the Indianapolis Metropolitan Planning Organization (IMPO), testified that IMPO, which serves eight counties, faces the challenge of providing adequate, reliable, and financially stable transportation to the entire service area, not just downtown Indianapolis. He stated that most transportation funding currently goes to expanding highways, which does not ease congestion.

Michael Terry, vice-president of business development for IndyGo, testified that the primary problems facing IndyGo are mitigating congestion and attaining air quality goals. He stated that it is important for Indianapolis to develop multimodal transit to spur economic development. He also referred the Committee to www.327ride.net, which calculates the cost of a daily commute.

C. Smart Growth and Economic Development

Parris Glendening, president of the Smart Growth Leadership Institute and former governor of Maryland, discussed the interconnectivity of transportation-related issues, such as economic growth, health, and climate. Governor Glendening cited Connecticut, New Mexico, and Rhode Island as states that are taking leadership roles in mass transit. He stated that although mass transit has significant startup costs, it yields other benefits, such as expanding employment opportunities and increasing property values.

Samuel R. Staley, director of urban and land use policy for the Reason Foundation, testified that Indiana's present economy and lifestyle are based on automobile travel. Mass transit constitutes less than 1% of all travel in Indiana and less than 2% of all travel in Indianapolis. Mr. Staley offered the committee six conclusions and recommendations about the role of transit in the

future:

- Transit will not be a substitute for the automobile in a regional transportation network.
- Building ridership depends critically on maintaining a high quality and consistent level of service.
- Transit agencies need to identify and cultivate their core business.
- Transit agencies need to recognize transit's role in serving niche markets.
- Transit agencies must identify sustainable, consumer-based revenue streams.
- The state should consider opening up the transit market to private providers.

Jeff Kingsbury, principal and co-founder of Greenstreet Ltd., discussed the role of transit as a driver of economic development. He stated that transit provides the following benefits:

- Economic health and prosperity.
- Vital central business districts and thriving downtowns.
- Connection of workers and jobs, including in suburban and rural areas.
- Congestion relief.
- Economic development.
- Environmental benefits.
- Job creation and a significant return on investment.

Mr. Kingsbury told the Committee a successful transit program requires a collaborative partnership between state and local governments and the private sector.

Marilee Utter, president of Citiventures, LLC, discussed the competitive advantages of transit oriented development (TOD). Ms. Utter stated that TOD makes it easier to create "villages" with walkable neighborhoods and mixed use property. TOD also provides a strategy for regional growth by attracting workers and businesses, generating private sector investment, and increasing property values. Ms. Utter described the Denver-area TOD, which is adding rail stations and transit corridors funded in part by a local sales tax increase.

V. COMMITTEE RECOMMENDATIONS

The Committee made the following recommendations:

- (1) The Indiana Department of Transportation should provide stronger leadership in the coordination of inter-region transportation systems, including bus, rail and public mass transit.
- (2) A long-range plan for a comprehensive transportation system should be developed. This plan should include all forms of transportation and be developed by the Indiana Department of Transportation and the Indiana General Assembly, with input by other appropriate state agencies and interest groups.

(3) New funding mechanisms should be explored for the expansion of mass transit, including public-private partnerships. Current allocations for public mass transit should be reviewed and benchmarked against future public mass transportation goals.

(4) A statewide planning group should be established that includes representation from various disciplines, such as comprehensive modes of transportation, land use, economic and community development, environment, urban and rural, and others as appropriate. This group should be charged with developing Indiana's long-term transportation vision and plan.

(5) Expanded mass transportation systems should be given serious consideration as a way to ease congestion in northern and central Indiana.

(6) The Indiana Department of Transportation should actively participate in regional and federal meetings of the Midwest High Speed Rail Commission, and shall make an annual report to the General Assembly on their activities in this area by November 1 of each calendar year.

WITNESS LIST

- Christine Altman, President, Central Indiana Regional Transportation Authority
- Karl Browning, Commissioner, Indiana Department of Transportation
- Ken Dallmeyer, Regional Bus Authority (Lake and Porter Counties)
- Mike Dearing, Executive Directory, Indianapolis Metropolitan Planning Organization
- Parris Glendening, President, Smart Growth Leadership Institute
- Steve Kendall, Ball State University, College of Architecture and Planning
- Chris Kiefer, Legislative Liaison, Indiana Department of Transportation
- Jeff Kingsbury, Principal and Co-Founder, Greenstreet Ltd.
- Nicholas Noe, National Association of Railroad Passengers; Indiana High Speed Rail Association
- Samuel R. Staley, Director, Urban and Land Use Policy, Reason Foundation
- John Swanson, Executive Director, Northwestern Indiana Regional Planning Commission
- Michael Terry, Vice-President, Business Development, IndyGo
- Marilee Utter, President, Citiventures, LLC
- Bill Verdeyen, International Brotherhood of Teamsters, Rail Conference
- United States Congressman Peter Visclosky